# Capitec Bank Holdings Limited

May 2018 (1st quarter)

CAPITEC BANK HOLDINGS LIMITED

## Key Metrics - KM1

| Line# | Available capital (amounts in R'000) | 31 May 2018 | 28 Feb 2018 | 30 Nov 2017 | 31 Aug 2017 | 31 May 2017 |
|---|---|---|---|---|---|---|
| 1 | Common Equity Tier 1 (CET1) | **18 054 289** | 17 381 888 | 16 963 481 | 16 442 494 | 15 512 960 |
| 1a | Fully loaded ECL accounting model | ***17 568 262*** | (1) | (1) | (1) | (1) |
| 2 | Tier 1 | **18 157 876** | 17 485 475 | 17 090 158 | 16 571 978 | 15 642 445 |
| 2a | Fully loaded ECL accounting model Tier 1 | ***17 671 849*** | (1) | (1) | (1) | (1) |
| 3 | Total Capital | **18 946 879** | 18 288 143 | 18 058 648 | 17 650 519 | 17 001 035 |
| 3a | Fully loaded ECL accounting model total capital | ***18 477 272*** | (1) | (1) | (1) | (1) |
| | **Risk-weighted assets (amounts)** | | | | | |
| 4 | Total risk-weighted assets (RWA) | **51 398 842** | 51 231 465 | 52 273 473 | 50 956 649 | 49 919 816 |
| | **Risk-based capital ratios as a percentage of RWA** | | | | | |
| 5 | Common Equity Tier 1 ratio (%) | **35.1%** | 33.9% | 32.5% | 32.3% | 31.1% |
| 5a | Fully loaded ECL accounting model Common Equity Tier 1 (%) | ***32.6%*** | (1) | (1) | (1) | (1) |
| 6 | Tier 1 ratio (%) | **35.3%** | 34.1% | 32.7% | 32.5% | 31.3% |
| 6a | Fully loaded ECL accounting model Tier 1 ratio (%) | ***32.8%*** | (1) | (1) | (1) | (1) |
| 7 | Total capital ratio (%) | **36.8%** | 35.7% | 34.5% | 34.6% | 34.1% |
| 7a | Fully loaded ECL accounting model total capital ratio (%) | ***34.3%*** | (1) | (1) | (1) | (1) |
| | **Additional CET1 buffer requirements as a percentage of RWA** | | | | | |
| 8 | Capital conservation buffer requirement (2.5% from 2019) (%) | **1.875%** | 1.875% | 1.25% | 1.25% | 1.25% |
| 9 | Countercyclical buffer requirement (%) | **0.00%** | 0.00% | 0.00% | 0.00% | 0.00% |
| 10 | Bank G-SIB and/or D-SIB additional requirements (%) | **-** | - | - | - | - |
| 11 | "Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)" | **1.875%** | 1.875% | 1.25% | 1.25% | 1.25% |
| 12 | CET1 available after meeting the bank's minimum capital requirements (%) | **12 336 168** | 11 682 387 | 11 344 251 | 10 964 653 | 10 146 580 |
| | **Basel III leverage ratio** | | | | | |
| 13 | Total Basel III leverage ratio exposure measure | **88 973 287** | 84 834 799 | 87 047 849 | 80 936 489 | 74 909 004 |
| 14 | Basel III leverage ratio (%) (row 2 / row 13) | **20.4%** | 20.6% | 19.6% | 20.5% | 20.9% |
| 14a | "Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a / row 13)" | ***20.0%*** | (1) | (1) | (1) | (1) |
| | **Liquidity Coverage Ratio** | | | | | |
| 15 | Total HQLA | **19 066 557** | 18 056 043 | 13 321 307 | 9 467 151 | 9 092 130 |
| 16 | Total net cash outflow[2] | **998 632** | 961 511 | 929 190 | 797 509 | 871 160 |
| 17 | LCR ratio (%) | **1 909%** | 1 878% | 1 434% | 1 187% | 1 044% |
| | **Net Stable Funding Ratio** | | | | | |
| 18 | Total available stable funding | **81 088 327** | 76 621 291 | 79 070 187 | 74 310 931 | 69 143 837 |
| 19 | Total required stable funding | **39 107 138** | 37 205 204 | 38 590 155 | 37 408 472 | 37 236 119 |
| 20 | NSFR ratio | **207.3%** | 205.9% | 204.9% | 198.6% | 185.7% |

*(1) As set out in the Basel Committee on Banking Supervision's publication on the regulatory treatment of accounting provisions, the standard requires banks to publicly disclose whether they are applying a transitional arrangement for the impact of expected credit loss accounting on regulatory capital. Template KM1 provides users with information on the impact on the bank's regulatory capital and leverage ratio compared to the bank's "fully loaded" capital and leverage ratio had the transitional arrangement not been applied. Capitec Bank Holdings Limited applies the transitional arrangement for the impact of expected credit loss accounting on regulatory capital as referred to in Directive 5 of 2017 and in the BCBS's publication on the regulatory treatment of accounting provisions. Per Directive 5 of 2017, the Office of the Registrar of Banks deemed it appropriate to introduce a transitional arrangement in order to avoid an immediate capital shock and to allow banks to rebuild capital resources following the initial negative impact arising from the introduction of IFRS 9. The IFRS 9 transitional amount (adjustment amount) and the increase in deferred tax asset as a result of the implementation of IFRS 9 is implemented on 1 March 2018, and the impact of fully loaded ECL accounting model disclosures above have been reported from the first quarterly reporting date after implementation of IFRS 9, which is May 2018 Q1.*

*(2) As Capitec has a net cash inflow after applying the run-off factors, outflows for the purpose of the ratio are deemed to be 25% of gross outflows.*